VZCZCXRO9484 OO RUEHCT DE RUEHKT #0398 1280810 ZNR UUUUU ZZH O 080810Z MAY 09 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 0169 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6951 RUEHLM/AMEMBASSY COLOMBO PRIORITY 7270 RUEHKA/AMEMBASSY DHAKA PRIORITY 2592 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5314 RUEHLO/AMEMBASSY LONDON PRIORITY 6458 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3026 RUEHCI/AMCONSUL KOLKATA PRIORITY 4598 RUEKJCS/SECDEF WASHDC PRIORITY RUCNDT/USMISSION USUN NEW YORK PRIORITY 3518 RHEFDIA/DIA WASHDC PRIORITY RHMFIUU/CDR USPACOM HONOLULU HI PRIORITY RUEAIIA/CIA WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY

UNCLAS KATHMANDU 000398

SIPDIS

E.O. 12958: N/A

TAGS: PREL PGOV PHUM PTER KDEM NP

SUBJECT: NEPAL: PRIME MINISTER RESIGNS SITREP 4

REF: A. KATHMANDU 388

¶B. KATHMANDU 375

¶C. KATHMANDU 372

¶D. AND PREVIOUS

(U) Since May 7 late afternoon local time, the following key events have occurred:

May 7

-During a late afternoon meeting Nepali Congress President Girija Prasad Koirala reportedly asked Prime Minister Dahal to join a Communist Party of Nepal-United Marxist Leninist (UML)-led national unity government.

-Evening rallies by Maoists and Maoist-affiliated organizations in Kathmandu were largely peaceful. Similar rallies were also conducted in a few other cities across the country.

May 8

- -Maoist demonstrations in Kathmandu disrupted traffic, but remained largely peaceful.
- -Internal and inter-party meetings continue, but have not reached a conclusion.
- -Local media report that district-level Maoist leaders in several districts have threatened cadre from other parties due to their parties' support for President Yadav's actions reinstating General Katawal. (Ref B)
- -The Ambassador met separately with Nepali Congress President Girija Prasad Koirala and Foreign Minister and Madhesi People's Rights Forum Chairman Upendra Yadav, reported spetel. POWELL